



STATE OF MAINE
MAINE REVENUE SERVICES

24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

JANET E. WALDRON
COMMISSIONER OF
ADMINISTRATIVE & FINANCIAL
SERVICES

ANGUS S. KING, JR.
GOVERNOR

ANTHONY J. NEVES
STATE TAX ASSESSOR

November 20, 2000

Ken Smith, TM
P.O. Box 10
101 Main Street
Rockport, ME 04856

Dear Mr. Smith:

Mr. Tom Miragliuolo's e-mail of November 10, 2001 to Mr. Robert Meskers has been referred to me for response. The e-mail was regarding the sale of trash bags as part of a pay-per-bag trash disposal system.

In lieu of retailers collecting tax at the point of sale and in recognition that the primary value in the sale of the trash bags is the service of trash removal, the Bureau will agree to allow Camden, Rockport, Lincolnville and Hope to pay sales tax on the bags when they make their bulk purchases. The tax would apply to the cost of the bags plus the retainage permitted to retailers. I presume that these communities would increase the sale price to the bags to offset the sales tax that has been prepaid. At the outset of this procedure, these communities would remit tax on their inventory plus any significant inventory held by retailers on that months use tax return. Any further sales tax should be remitted to the communities' supplier. If the supplier is not required to collect Maine Sales Tax, the communities should remit use tax on the applicable months use tax return.

If this arrangement is acceptable to these communities, this letter can be provided to retailers participating in the program. It is intended to constitute an official confirmation that the waste disposal bags referenced in this letter be sold as though they are a non taxable item.



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(207) 287-4477 (HEARING IMPAIRED)

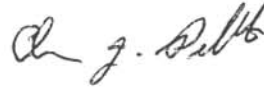
FAX: (207) 287-6628

E-mail: sales_tax@state.me.us

Ken Smith, TM
November 20, 2001
Page 2

Please feel free to contact me should you need any additional information.

Sincerely,



Elmer J. Pelletier
Deputy Director
Sales/Fuel and Special Tax Division
Tel. (207) 287-2336

EJP/nbl

cc: Tom Miragliuolo, Planner
Waste Management & Recycling
Maine State Planning Office
38 State House Station
Augusta, ME 04333-0038